

Representative Stewart E. Barlow proposes the following substitute bill:

DEBT COLLECTION AMENDMENTS

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: R. Curt Webb

Senate Sponsor: _____

LONG TITLE

General Description:

This bill enacts provisions related to collection agencies.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ provides that a collection agency may not report a debt to a credit reporting agency

until the collection agency sends a notice to the debtor and waits at least 30 days from the day the collection agency sends the notice.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

12-1-12, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **12-1-12** is enacted to read:



26 12-1-12. Limitations on reporting to a credit reporting agency.

27 (1) As used in this section:

28 (a) "Collection agency" means a person registered and in good standing with the
29 Division of Corporations and Commercial Code in accordance with the provisions of this title.

30 (b) "Creditor" means the same as that term is defined in 15 U.S.C. Sec. 1692a.

31 (c) "Credit reporting agency" means a person who, for fees, dues, or on a cooperative
32 basis, regularly engages in whole or in part in the practice of assembling or evaluating
33 information concerning a consumer's credit or other information for the purpose of furnishing a
34 credit report to another person.

35 (d) "Debt" means the same as that term is defined in Section [12-1-11](#).

36 (e) "Debtor" means the same as that term is defined in Section [12-1-11](#).

37 (2) A collection agency may not report a debtor's debt to a credit reporting agency
38 until:

39 (a) the collection agency sends notice to the debtor by certified mail with return receipt
40 requested that states:

41 (i) the amount of the debtor's debt;

42 (ii) the name of the creditor to whom the debtor owes the debt;

43 (iii) a date that is at least 30 days after the day on which the collection agency sends the
44 notice by which the debtor must pay the debt;

45 (iv) that if the debtor fails to timely pay the debt, the collection agency may report the
46 debt to a credit reporting agency; and

47 (v) that a report to a credit reporting agency may negatively impact the debtor's credit
48 score; and

49 (b) after the date stated in the notice under Subsection (2)(a)(iii).